



REQUEST FOR BOARD ACTION

New Business

MEETING DATE: April 20, 2023

PREPARED BY: Chuck Stifter, Parks and Recreation Director

AGENDA ITEM: 2022 Parks and Recreation Budget Reconciliation and Annual Report

PREVIOUS ACTIONS:
None

RECOMMENDED PARK BOARD ACTION:
Motion to receive the 2022 Parks and Recreation budget reconciliation and Annual Report.

COMMENTS:

Annually the Parks and Recreation staff with the support of the Finance Department reconcile the previous year's budget and prepare a report summarizing the financial outcome of the past year. This year, in addition to the reconciliation, staff have prepared our first ever Parks and Recreation Board Annual Report. This report was born from the need to deliver a comprehensive look at the department rather than scattered reports delivered throughout the year. The report provides data and metrics from all aspects of the department operation. It also acknowledges the many offerings and services provided to the community by our dedicated staff.

Our staff has always done an excellent job managing their individual area budgets as well as keeping the Board apprised to ensure efficient and effective fiscal management.

Attached are the 2022 Parks and Recreation year-end budget reports for the General Fund, and both Community Center and Dome enterprise budgets. 2022 may have shown us some signs of the future of parks and recreation where all things may not return to pre-pandemic condition. We continue to see signs of recovery in many areas, some even exceeding historic highs, and other area not coming back as once thought. 2022 was a year of tech advancement, where staff took existing and new software applications to the next level. Advances were made in the employee on-boarding process, registration and rental process, data management, asset management, and others; each improving providing a more efficient delivery of services. Staff continue to seek out how to best serve our community through research, customer feedback and peer evaluation.

Following preliminary reconciliation by the Finance Department, the 2022 Parks and Recreation Board General Fund allocation had a positive balance of \$35,452, following a year-end transfer out of \$175,000. The Parks and Recreation Fund remains healthy with a balance of \$811,772. The Community Center had a cost recovery of 71.3% before an additional year-end transfer of \$267,000 put it at 78.0%. The Sports Dome recovered 55.4% of its expenditures, after the loss of one of its partners to default. A year end transfer of \$215,000 balanced the budget.

A. Administration: Division 100

The Parks and Recreation – Administration Division budget finished the year with a positive balance of \$247,216 or 89.7% of budget allocation. In 2021 this division used 84.1% of its budget allocation. The budget surplus is the result of cost savings in part-time salaries and brochure printing.

B. Parks: Division 101

The Parks and Recreation - Parks Division budget finished the year with a budget overrun of \$212,144 or 106.9% of budget allocation. In 2021 this division used 99.3% of its budget allocation. The budget overrun is the result of increases in both gas and electric utilities, equipment repairs, and unforeseen lightings repairs. Details can be found in the attached Annual Report.

C. Recreation (General Fund): Division 102

The Parks and Recreation - Recreation Division budget finished the year with a positive balance of \$244,481 or 76.3% of budget allocation. In 2021 this division used 82.1% of its budget allocation. Details can be found in the attached Annual Report.

D. Recreation (Participation): Division 103-108

The final report shows revenues of \$1,409,554 and expenditures of \$1,337,465 for a (\$72,089) surplus. In 2021 these divisions finished with a \$24,061 surplus. Details can be found in the attached Annual Report.

E. Community Center Enterprise

The 2022 year-end net recovery of 78.0% (after year-end transfer) is less than the 10-year average largely due to the increased expenditures associated with the arena branding project which will be recovered through the area sponsorship program.

Attached is the 2022 year-end summary report from the Finance Department. Total operating revenues were 2.8% above budget and total operating expenses were 8% over budget for the year. A deficit of \$1,142,770 was realized in 2022 which is 21.4% more than budgeted. Annual General Fund subsidy increases are necessary to support the deficit. Details can be found in the attached Annual Report.

	<u>Revenues</u>		<u>Expenditures</u>		<u>Balance Surplus (Deficit)</u>	
	Budget	Actual	Budget	Actual	Budget	Actual
2022	\$2,763,000	\$3,106,942	\$3,673,700	\$3,982,712	\$(910,700)	\$(875,770)

Recovery Rate History (post subsidy):

201388.1%
201486.3%
201585.1%
201681.9%
201782.8%
201881.8%
201973.6%
202066.0% COVID impact
202168.6% COVID impact
2022.....78.0%
10yr avg ..79.2%

F. Dome Enterprise

Attached is the 2022 financial report which shows a year-end surplus of \$10,812, up from the \$7,055 deficit in 2021. 2022 was supported by General Fund year-end transfer to offset the loss of partnership revenues. Rental revenues were down 26% from 2021 due to the default of one of the partners. Expenses were 25% over the planned budget, which are accounted for by increases in utilities, dome set up and take down, and propane system improvements. The Dome Enterprise replacement fund continues to maintain a strong balance.

Motion is to receive the reconciliation report and Annual Report. Staff will make any necessary modifications as directed from the Board. Staff is considering a “snapshot” version of this Annual Report to be posted on the city website. Board feedback on this consideration is appreciated.

ATTACHMENTS:

Attachment A – 2022 Parks and Recreation Fund Reconciliation
Attachment B – 2022 Community Center Year End Budget Report
Attachment C – 2022 Sports Dome Year End Budget Report
Attachment D – 2022 Parks and Recreation Board Annual Report